

Midven bought out by its own management



INVESTMENT

By Tom Scotney
Business Staff

One of the most active venture capitalist teams in the Midlands has been bought out by its own management team.

Birmingham-based Midven, which has invested in nearly 100 Midland firms in its 15-year history, was bought from its retiring shareholders by a team made up of managing director Tony Stott, directors Roger Wood and Andy Muir and investment managers Surjit Kooner and Nicholas Moate.

They say the buyout will help more businesses in the region benefit from venture capital investment, and will reassure them the funds are being managed by experienced business owners.

company's approach to investing in early stage businesses," said Mr Stott.

"We think venture capital in general and Midven in particular has a strong future.

"This transaction enables us to give a strong message to the companies in which we invest that we understand the issues they face in owning and running a growing business as we are doing it ourselves."

While continuing to actively place their existing funds, the new owners say they are in discussions with potential investors to raise additional money with the aim of being able to make greater amounts of cash available to companies in the West Midlands and nationally.

Midven manages the £20 million Advantage Growth Fund, set up in 2003 to invest capital in small and medium-sized companies in the West Midlands.

It also deals with the HSBC UK Enterprise

Its work with these funds has given the company a reputation for providing capital to early stage, high growth businesses.

It is one of the few venture capitalists focused on investing initial amounts of less than £1 million.

The Government has said there is a shortage of funds available to assist growing companies, and has supported two out of three of Midven's funds.

At least 40 businesses in the West Midlands have benefited from investment by the Advantage Growth Fund alone over the last five years.

"The three existing funds are all very important and have already assisted more than 90 companies, many of which continue to grow providing significant benefits to the local economy whilst generating excellent returns to the funds," said Mr Wood.

"The recent sale of MVI Holdings to a US trade buyer and the £9.9 million equity release

"Both of these businesses represent good examples of the fast growing emerging technology companies that are beginning to reshape the West Midlands economic landscape and which ultimately require funding to succeed.

"By raising further funds we believe we can create more success stories like these.

"With a total of £35 million under management Midven continues to have funds available and a strong appetite for investing in growth businesses, particularly those located in the West Midlands." The management team was advised during the buyout by local lawyers Shakespeare Putnam.

Gary Davie of Shakespeare Putnam said: "As growing owner managed businesses both they and their portfolio companies are precisely the kind of company Shakespeare Putnam are focused on providing its wide range of services to."